

<b>United States Bankruptcy Court Northern District of Mississippi</b>						<b>Voluntary Petition</b>	
Name of Debtor (if individual, enter Last, First, Middle): <b>Vernon Care Center, Inc.</b>				Name of Joint Debtor (Spouse) (Last, First, Middle):			
All Other Names used by the Debtor in the last 8 years (include married, maiden, and trade names): <b>Care Center Of Vernon, Inc.</b>				All Other Names used by the Joint Debtor in the last 8 years (include married, maiden, and trade names):			
Last four digits of Soc. Sec. or Individual-Taxpayer I.D. (ITIN) No./Complete EIN (if more than one, state all): <b>00-0007475</b>				Last four digits of Soc. Sec. or Individual-Taxpayer I.D. (ITIN) No./Complete EIN (if more than one, state all):			
Street Address of Debtor (No. & Street, City, State & Zip Code): <b>1050 Convalescent Road Vernon, AL</b>				Street Address of Joint Debtor (No. & Street, City, State & Zip Code):			
ZIPCODE <b>35592</b>				ZIPCODE			
County of Residence or of the Principal Place of Business: <b>Out of State</b>				County of Residence or of the Principal Place of Business:			
Mailing Address of Debtor (if different from street address): <b>P. O. Box 360067 Birmingham, AL</b>				Mailing Address of Joint Debtor (if different from street address):			
ZIPCODE <b>35236-0067</b>				ZIPCODE			
Location of Principal Assets of Business Debtor (if different from street address above):						ZIPCODE	
<b>Type of Debtor</b> (Form of Organization) (Check one box.)  <input type="checkbox"/> Individual (includes Joint Debtors) <i>See Exhibit D on page 2 of this form.</i> <input checked="" type="checkbox"/> Corporation (includes LLC and LLP) <input type="checkbox"/> Partnership <input type="checkbox"/> Other (If debtor is not one of the above entities, check this box and state type of entity below.)  _____		<b>Nature of Business</b> (Check one box.)  <input checked="" type="checkbox"/> Health Care Business <input type="checkbox"/> Single Asset Real Estate as defined in 11 U.S.C. § 101(51B) <input type="checkbox"/> Railroad <input type="checkbox"/> Stockbroker <input type="checkbox"/> Commodity Broker <input type="checkbox"/> Clearing Bank <input type="checkbox"/> Other  _____ <b>Tax-Exempt Entity</b> (Check box, if applicable.) <input type="checkbox"/> Debtor is a tax-exempt organization under Title 26 of the United States Code (the Internal Revenue Code).		<b>Chapter of Bankruptcy Code Under Which the Petition is Filed</b> (Check one box.)  <div style="display: flex; justify-content: space-between;"><div><input type="checkbox"/> Chapter 7 <input type="checkbox"/> Chapter 9 <input checked="" type="checkbox"/> Chapter 11 <input type="checkbox"/> Chapter 12 <input type="checkbox"/> Chapter 13</div><div><input type="checkbox"/> Chapter 15 Petition for Recognition of a Foreign Main Proceeding <input type="checkbox"/> Chapter 15 Petition for Recognition of a Foreign Nonmain Proceeding</div></div> <b>Nature of Debts</b> (Check one box.) <div style="display: flex; justify-content: space-between;"><div><input type="checkbox"/> Debts are primarily consumer debts, defined in 11 U.S.C. § 101(8) as "incurred by an individual primarily for a personal, family, or house- hold purpose."</div><div><input checked="" type="checkbox"/> Debts are primarily business debts.</div></div>			
<b>Filing Fee</b> (Check one box)  <input checked="" type="checkbox"/> Full Filing Fee attached  <input type="checkbox"/> Filing Fee to be paid in installments (Applicable to individuals only). Must attach signed application for the court's consideration certifying that the debtor is unable to pay fee except in installments. Rule 1006(b). See Official Form 3A.  <input type="checkbox"/> Filing Fee waiver requested (Applicable to chapter 7 individuals only). Must attach signed application for the court's consideration. See Official Form 3B.				<b>Chapter 11 Debtors</b>  <b>Check one box:</b> <input type="checkbox"/> Debtor is a small business debtor as defined in 11 U.S.C. § 101(51D). <input checked="" type="checkbox"/> Debtor is not a small business debtor as defined in 11 U.S.C. § 101(51D).  <b>Check if:</b> <input type="checkbox"/> Debtor's aggregate noncontingent liquidated debts owed to non-insiders or affiliates are less than \$2,190,000. ----- <b>Check all applicable boxes:</b> <input type="checkbox"/> A plan is being filed with this petition <input type="checkbox"/> Acceptances of the plan were solicited prepetition from one or more classes of creditors, in accordance with 11 U.S.C. § 1126(b).			
<b>Statistical/Administrative Information</b> <input checked="" type="checkbox"/> Debtor estimates that funds will be available for distribution to unsecured creditors. <input type="checkbox"/> Debtor estimates that, after any exempt property is excluded and administrative expenses paid, there will be no funds available for distribution to unsecured creditors.						<b>THIS SPACE IS FOR COURT USE ONLY</b>	
<b>Estimated Number of Creditors</b> <div style="display: flex; justify-content: space-between;"><div><input type="checkbox"/> 1-49</div><div><input type="checkbox"/> 50-99</div><div><input checked="" type="checkbox"/> 100-199</div><div><input type="checkbox"/> 200-999</div><div><input type="checkbox"/> 1,000-5,000</div><div><input type="checkbox"/> 5,001-10,000</div><div><input type="checkbox"/> 10,001-25,000</div><div><input type="checkbox"/> 25,001-50,000</div><div><input type="checkbox"/> 50,001-100,000</div><div><input type="checkbox"/> Over 100,000</div></div>							
<b>Estimated Assets</b> <div style="display: flex; justify-content: space-between;"><div><input type="checkbox"/> \$0 to \$50,000</div><div><input type="checkbox"/> \$50,001 to \$100,000</div><div><input type="checkbox"/> \$100,001 to \$500,000</div><div><input type="checkbox"/> \$500,001 to \$1 million</div><div><input type="checkbox"/> \$1,000,001 to \$10 million</div><div><input checked="" type="checkbox"/> \$10,000,001 to \$50 million</div><div><input type="checkbox"/> \$50,000,001 to \$100 million</div><div><input type="checkbox"/> \$100,000,001 to \$500 million</div><div><input type="checkbox"/> \$500,000,001 to \$1 billion</div><div><input type="checkbox"/> More than \$1 billion</div></div>							
<b>Estimated Liabilities</b> <div style="display: flex; justify-content: space-between;"><div><input type="checkbox"/> \$0 to \$50,000</div><div><input type="checkbox"/> \$50,001 to \$100,000</div><div><input type="checkbox"/> \$100,001 to \$500,000</div><div><input type="checkbox"/> \$500,001 to \$1 million</div><div><input type="checkbox"/> \$1,000,001 to \$10 million</div><div><input checked="" type="checkbox"/> \$10,000,001 to \$50 million</div><div><input type="checkbox"/> \$50,000,001 to \$100 million</div><div><input type="checkbox"/> \$100,000,001 to \$500 million</div><div><input type="checkbox"/> \$500,000,001 to \$1 billion</div><div><input type="checkbox"/> More than \$1 billion</div></div>							

<b>Voluntary Petition</b> <i>(This page must be completed and filed in every case)</i>		Name of Debtor(s): <b>Vernon Care Center, Inc.</b>	
<b>Prior Bankruptcy Case Filed Within Last 8 Years</b> (If more than two, attach additional sheet)			
Location Where Filed: <b>None</b>	Case Number:	Date Filed:	
Location Where Filed:	Case Number:	Date Filed:	
<b>Pending Bankruptcy Case Filed by any Spouse, Partner or Affiliate of this Debtor</b> (If more than one, attach additional sheet)			
Name of Debtor: <b>None</b>	Case Number:	Date Filed:	
District:	Relationship:	Judge:	
<b>Exhibit A</b> (To be completed if debtor is required to file periodic reports (e.g., forms 10K and 10Q) with the Securities and Exchange Commission pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 and is requesting relief under chapter 11.)  <input type="checkbox"/> Exhibit A is attached and made a part of this petition.		<b>Exhibit B</b> (To be completed if debtor is an individual whose debts are primarily consumer debts.)  I, the attorney for the petitioner named in the foregoing petition, declare that I have informed the petitioner that [he or she] may proceed under chapter 7, 11, 12, or 13 of title 11, United States Code, and have explained the relief available under each such chapter. I further certify that I delivered to the debtor the notice required by § 342(b) of the Bankruptcy Code.  <div style="display: flex; justify-content: space-between; align-items: flex-end;"> <span style="font-size: 2em; margin-right: 10px;">X</span> <div style="border-top: 1px solid black; width: 80%;"></div> <div style="text-align: right; width: 15%;">                         Date                     </div> </div> Signature of Attorney for Debtor(s)	
<b>Exhibit C</b> Does the debtor own or have possession of any property that poses or is alleged to pose a threat of imminent and identifiable harm to public health or safety?  <input type="checkbox"/> Yes, and Exhibit C is attached and made a part of this petition. <input checked="" type="checkbox"/> No			
<b>Exhibit D</b> (To be completed by every individual debtor. If a joint petition is filed, each spouse must complete and attach a separate Exhibit D.)  <input type="checkbox"/> Exhibit D completed and signed by the debtor is attached and made a part of this petition.  If this is a joint petition: <input type="checkbox"/> Exhibit D also completed and signed by the joint debtor is attached a made a part of this petition.			
<b>Information Regarding the Debtor - Venue</b> (Check any applicable box.)  <input type="checkbox"/> Debtor has been domiciled or has had a residence, principal place of business, or principal assets in this District for 180 days immediately preceding the date of this petition or for a longer part of such 180 days than in any other District. <input checked="" type="checkbox"/> There is a bankruptcy case concerning debtor's affiliate, general partner, or partnership pending in this District. <input type="checkbox"/> Debtor is a debtor in a foreign proceeding and has its principal place of business or principal assets in the United States in this District, or has no principal place of business or assets in the United States but is a defendant in an action or proceeding [in a federal or state court] in this District, or the interests of the parties will be served in regard to the relief sought in this District.			
<b>Certification by a Debtor Who Resides as a Tenant of Residential Property</b> (Check all applicable boxes.)  <input type="checkbox"/> Landlord has a judgment against the debtor for possession of debtor's residence. (If box checked, complete the following.)  <div style="margin-left: 40px;">                         _____                          (Name of landlord or lessor that obtained judgment)                     </div> <div style="margin-left: 40px; margin-top: 10px;">                         _____                          (Address of landlord or lessor)                     </div> <input type="checkbox"/> Debtor claims that under applicable nonbankruptcy law, there are circumstances under which the debtor would be permitted to cure the entire monetary default that gave rise to the judgment for possession, after the judgment for possession was entered, and <input type="checkbox"/> Debtor has included in this petition the deposit with the court of any rent that would become due during the 30-day period after the filing of the petition. <input type="checkbox"/> Debtor certifies that he/she has served the Landlord with this certification. (11 U.S.C. § 362(l)).			

## Voluntary Petition

(This page must be completed and filed in every case)

Name of Debtor(s):

**Vernon Care Center, Inc.**

### Signatures

#### Signature(s) of Debtor(s) (Individual/Joint)

I declare under penalty of perjury that the information provided in this petition is true and correct.

[If petitioner is an individual whose debts are primarily consumer debts and has chosen to file under Chapter 7] I am aware that I may proceed under chapter 7, 11, 12 or 13 of title 11, United States Code, understand the relief available under each such chapter, and choose to proceed under chapter 7.

[If no attorney represents me and no bankruptcy petition preparer signs the petition] I have obtained and read the notice required by 11 U.S.C. § 342(b).

I request relief in accordance with the chapter of title 11, United States Code, specified in this petition.

X

Signature of Debtor

X

Signature of Joint Debtor

Telephone Number (If not represented by attorney)

Date

#### Signature of a Foreign Representative

I declare under penalty of perjury that the information provided in this petition is true and correct, that I am the foreign representative of a debtor in a foreign proceeding, and that I am authorized to file this petition.

(Check only **one** box.)

☐ I request relief in accordance with chapter 15 of title 11, United States Code. Certified copies of the documents required by 11 U.S.C. § 1515 are attached.

☐ Pursuant to 11 U.S.C. § 1511, I request relief in accordance with the chapter of title 11 specified in this petition. A certified copy of the order granting recognition of the foreign main proceeding is attached.

X

Signature of Foreign Representative

Printed Name of Foreign Representative

Date

#### Signature of Attorney\*

X

**/s/ Douglas C. Noble**

Signature of Attorney for Debtor(s)

**Douglas C. Noble 10526**

Printed Name of Attorney for Debtor(s)

**Phelps Dunbar LLP**

Firm Name

**P. O. Box 23066**

Address

**Jackson, MS 39225-3066**

**(601) 352-2300**

Telephone Number

**May 1, 2008**

Date

\*In a case in which § 707(b)(4)(D) applies, this signature also constitutes a certification that the attorney has no knowledge after an inquiry that the information in the schedules is incorrect.

#### Signature of Non-Attorney Petition Preparer

I declare under penalty of perjury that: 1) I am a bankruptcy petition preparer as defined in 11 U.S.C. § 110; 2) I prepared this document for compensation and have provided the debtor with a copy of this document and the notices and information required under 11 U.S.C. §§ 110(b), 110(h) and 342(b); 3) if rules or guidelines have been promulgated pursuant to 11 U.S.C. § 110(h) setting a maximum fee for services chargeable by bankruptcy petition preparers, I have given the debtor notice of the maximum amount before preparing any document for filing for a debtor or accepting any fee from the debtor, as required in that section. Official Form 19 is attached.

Printed Name and title, if any, of Bankruptcy Petition Preparer

Social Security Number (If the bankruptcy petition preparer is not an individual, state the Social Security number of the officer, principal, responsible person or partner of the bankruptcy petition preparer.) (Required by 11 U.S.C. § 110.)

Address

X

Signature of Bankruptcy Petition Preparer or officer, principal, responsible person, or partner whose social security number is provided above.

Date

Names and Social Security numbers of all other individuals who prepared or assisted in preparing this document unless the bankruptcy petition preparer is not an individual:

If more than one person prepared this document, attach additional sheets conforming to the appropriate official form for each person.

*A bankruptcy petition preparer's failure to comply with the provisions of title 11 and the Federal Rules of Bankruptcy Procedure may result in fines or imprisonment or both 11 U.S.C. § 110; 18 U.S.C. § 156.*

#### Signature of Debtor (Corporation/Partnership)

I declare under penalty of perjury that the information provided in this petition is true and correct, and that I have been authorized to file this petition on behalf of the debtor.

The debtor requests relief in accordance with the chapter of title 11, United States Code, specified in this petition.

X

**/s/ John Eric Melton**

Signature of Authorized Individual

**John Eric Melton**

Printed Name of Authorized Individual

**Chief Financial Officer**

Title of Authorized Individual

**May 1, 2008**

Date

**CERTIFICATE OF SECRETARY**

**OF**

**VERNON CARE CENTER, INC.**

I, John W. Jamison, III, do hereby certify that I am the duly elected, qualified, and acting secretary of Vernon Care Center, Inc. (the "Company"), a corporation duly organized and existing under the laws of the State of Alabama; that as such Corporate Secretary, I have custody of the corporate records and corporate seal of the Company; that attached hereto are true and correct copies of resolutions which were duly adopted at a joint meeting of the Board of Directors and sole Shareholder of the Company, held on April 24, 2008; that said resolutions are set forth in the minutes of said meeting; that said resolutions do not in any manner contravene the Articles of Corporation or the Operating Agreement of the Company; and that said resolutions have not been amended, annulled, rescinded, or reversed in any way; and on the date hereof are still in full force and effect.

IN WITNESS WHEREOF, I have hereunto set my hand this the 24<sup>th</sup> day of April, 2008.

VERNON CARE CENTER, INC.

BY: 

JOHN W. JAMISON, III

Secretary

**RESOLUTIONS OF THE  
BOARD OF DIRECTORS AND SOLE SHAREHOLDER OF  
VERNON CARE CENTER, INC.**

WHEREAS, upon review and analysis of the present and expected future status, conditions and prospects of the assets, liabilities, affairs and opportunities of Vernon Care Center, Inc. (the “Company”) and its affiliated entities, it is determined that the best interests of the Company and its creditors, equity security holders and other constituencies would be best served, and the values of its assets and business operations would be best preserved and protected, by the filing of voluntary reorganization cases under Chapter 11 of Title 11 of the United States Code (the “Bankruptcy Code”) by the Company and various of its affiliated entities.

THEREFORE, IT IS RESOLVED that the filing of a petition for relief under Chapter 11 of the Bankruptcy Code in the appropriate United States Bankruptcy Court, for and on behalf of the Company, at such time and place as John W. Jamison, III, John Eric Melton or anyone else designated by either of them, deems necessary and feasible, be and the same hereby is authorized and approved.

IT IS FURTHER RESOLVED that the execution and filing, for and on behalf of the Company, by John W. Jamison, III, John Eric Melton or anyone else designated by either of them, of the Chapter 11 petition and any and all other pleadings or papers, and the taking of any other action by any of them on behalf of the Company, reasonably necessary or appropriate in connection with the commencement or prosecution of the Chapter 11 proceedings of the Company be and the same hereby is authorized and approved.

IT IS FURTHER RESOLVED that the retention by John W. Jamison, III, John Eric Melton or anyone else designated by either of them, for and on behalf of the Company, of such attorneys and other professional persons as any of them may determine reasonably necessary or

appropriate to represent and act on behalf of the Company in connection with the bankruptcy proceedings of the Company be and the same hereby is authorized and approved.

**UNITED STATES BANKRUPTCY COURT  
NORTHERN DISTRICT OF MISSISSIPPI**

<b>In re:</b>	)	<b>Chapter 11</b>
	)	
<b>VERNON CARE CENTER, INC.,</b>	)	<b>Case No. 08-_____DWH</b>
	)	
<b>Debtor.</b>	)	

**CORPORATE OWNERSHIP STATEMENT**

Pursuant to Federal Rules of Bankruptcy Procedure 7007.1 and to enable the Judge to more effectively evaluate possible disqualification or recusal issues, the undersigned counsel for **Vernon Care Center, Inc.**, in the above captioned action, certifies that the aforementioned corporation states that there are no entities to report that directly or indirectly own 10% or more of any class of the limited liability company's equity interests.

THIS the 1st day of May, 2008.

**Respectfully submitted,**

**PHELPS DUNBAR LLP**

By: /s/ Douglas C. Noble

**James W. O'Mara, MS Bar No. 3929  
Douglas C. Noble, MS Bar No. 10526  
Christopher R. Maddux, MS Bar No. 100501  
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**Counsel to Debtors and Debtors-in-Possession**